

The Honorable Brian D. Lynch  
Chapter 11  
Location of Hearing: Via Telephone  
Date of Hearing: To be Determined  
Time of Hearing: To be Determined  
Response Date: At or Before Hearing

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON  
AT TACOMA

In re:

SHILO INN, OCEAN SHORES, LLC, *et. al.*,<sup>1</sup>,  
Debtors and Debtors-in-Possession,

Proposed Lead Case No. 20-42348

(Proposed Jointly Administered with  
Case No. 20-42349)

DECLARATION OF LARRY CHANK  
IN SUPPORT OF FIRST-DAY  
MOTIONS

I, Larry Chank, hereby declare as follows:

1. I am over 18 years of age. I have personal knowledge of the facts set forth below and, if called to testify, would and could competently testify thereto.

2. I am currently employed as the CEO of Shilo Management Corporation ("SMC"), which is the manager and operator of the Hotels (as defined below) owned by Shilo Inn, Ocean Shores, LLC ("Shilo Ocean Shores") and Shilo Inn, Nampa Suites, LLC ("Shilo Nampa Suites") (each a "Debtor" and, collectively, the "Debtors") the debtors and debtors in possession in the above-captioned, proposed jointly-administered chapter 11 bankruptcy cases.

3. I have reviewed and am familiar with and am knowledgeable about the books and records of SMC and the Debtors, which books and records are made in the regular practice of

<sup>1</sup> The Debtors are Shilo Inn, Ocean Shores, LLC, Bankruptcy Case No. 20-42348 and Shilo Inn Nampa Suites, LLC, Bankruptcy Case No. 20-42349.

DECLARATION OF LARRY CHANK IN  
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1 business, kept in the regular course of business, made by a person with knowledge of the events  
2 and information related thereto, and made at or near the time of events and information recorded.

3 4. I was hired as CEO of SMC in February 2019, in which role I have continued to  
4 serve to this present day. I am the authorized agent for the Debtors in their respective chapter 11  
5 bankruptcy cases.

6 5. I began my hospitality career in 1988 and have hands-on experience in hotel &  
7 restaurant operations (15 years) and accounting/finance (49 years). I am a 1970 graduate of  
8 Niagara University, Niagara Falls, New York, with a BBA in accounting and service as a  
9 Lieutenant in the Army Artillery. Prior to Shilo Inns, my position was the CFO/Controller for  
10 the Hopi Tribe Economic Development Corporation, and, in addition to my accounting duties,  
11 this position allowed me to advise the Hopi Tribe on matters related to operation of their  
12 residential, commercial, hotel, restaurant, travel plaza, and other real estate developments. I  
13 have a Certified Public Accountant license issued in the State of New York, and I am a licensed  
14 real estate broker in the State of California.

15 6. My duties have included the management and oversight of accounting personnel,  
16 including Accounts Payable, Accounts Receivable, Payroll, General Ledger, Audit, Treasury,  
17 Budgets, Cash Flow, Financial Reporting, Human Resources, and Information Systems.

18 7. I make this declaration in support of the Debtors' "first day motions" (each a  
19 "Motion" and, collectively, the "Motions") listed here as follows:

- 20
- 21 a. Debtors' Emergency Motion for Entry of an Order Authorizing  
22 Debtors to: (A) Use Cash Collateral on an Interim Basis Pending a  
23 Final Hearing; and (B) Setting a Final Hearing (the "Cash  
Collateral Motion");
- 24 b. Debtors' Emergency Motion for Entry of an Order Authorizing the  
25 Continued Use of Debtors' Cash Management Systems (the "Cash  
Management Motion");
- 26

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- 1 c. Debtors' Emergency Motion for Authority to (1) Pay Prepetition  
2 Wages, Commissions and Bonuses; and (2) Honor Accrued  
3 Vacation and Leave Benefits in the Ordinary Course of Business  
4 (the "Wage Motion");
- 5 d. Debtors' Emergency Motion for Entry of an Order Authorizing  
6 Debtors to Provide Adequate Assurance of Future Payment to  
7 Utility Companies Pursuant to Section 366(c) of the Bankruptcy  
8 Code (the "Utilities Motion");
- 9 e. Debtors' Emergency Motion for Entry of an Order Authorizing  
10 Debtors to Honor Certain Prepetition Obligations to Customers  
11 (the "Customer Loyalty Program Motion"); and
- 12 f. Debtors' Emergency Ex Parte Motion for Entry of an Order Jointly  
13 Administering the Debtors' Cases (the "Joint Administration  
14 Motion").

## 15 I. GENERAL INFORMATION

### 16 A. General Information

17 8. The Debtors commenced their respective chapter 11 bankruptcy cases by each  
18 filing a voluntary petition under chapter 11 of title 11, sections 101 *et seq.* of the United States  
19 Code, (the "Bankruptcy Code") on October 15, 2020 (the "Petition Date").

20 9. The Debtors continue to operate their businesses and manage their financial  
21 affairs as debtors in possession. No committee of unsecured creditors has been formed, and no  
22 trustee has been appointed.

### 23 B. The Two Hotels

24 10. Mark S. Hemstreet has been the proud founder and owner and of the Shilo Inn  
25 Suites Hotel chain since 1974. Today, there are fourteen (14) company-owned Shilo Inn hotels  
26 across the western states, including one Shilo hotel in Killeen, Texas.

11. Each of the two Debtors owns a hotel (each a "Hotel" and, collectively, the  
"Hotels"), as described in greater detail below.

12. The Hotels are collateral for a certain promissory note (the “Loan”) originally made in November 2015 and now held by RSS WFCM2016NXSS-WA SIOSN, LLC, a Washington limited liability company (the “Lender”) and serviced by Rialto Capital Advisors, LLC (“Rialto”).

13. Shilo Ocean Shores operates a 113-all suites, 4-story, full-service ocean front hotel in Ocean Shores, Washington (the “Ocean Shores Hotel”), on fee title land, operated pursuant to a franchise agreement with Shilo Franchise International, LLC (“SFI”) and managed by Shilo Management Corporation (“SMC”). The Shilo Ocean Shores full service ocean front hotel property has an indoor pool, spa, steam and sauna room, fitness and business center, and two meeting rooms, as well as a restaurant and lounge. The restaurant and lounge are currently closed as a result of COVID-19. The Ocean Shores Hotel has approximately 20 employees. Based on the appraisal opinion of Mark Hemstreet, the fair market value of the Ocean Shores Hotel is at least \$15,000,000.

14. Shilo Nampa Suites operates a 84-all-suites, four-story, limited-service hotel in Nampa, Idaho (the “Nampa Suites Hotel”), on fee title land, operated pursuant to a franchise agreement with SFI and managed by SMC. The Shilo Nampa Suites property has an indoor pool, spa, sauna, and steam room, fitness and business center and meeting room, plus a free standing restaurant and lounge facility that is leased out to an independent third party tenant lessee. The Nampa Suites Hotel has approximately 21 employees. Based on the appraisal opinion of Mark Hemstreet, the fair market value of the Nampa Suites Hotel is at least \$7,000,000.

15. Based on the foregoing valuations, the current fair market value of the Hotels, in the aggregate, is approximately \$22,000,000. As discussed in greater detail below, the total secured debt owing to the Lender is approximately \$9,200,000, which is secured by the Hotels. As a result, the Debtors submit that their estates benefit by substantial equity cushions, which

1 will allow the Debtors to propose a successful plan of reorganization and pay 100% of the  
2 allowed claims of all creditors.

3 16. The Hotels have enjoyed historical success as stand-alone businesses leading up  
4 to 2020. The Nampa Suites property has had a small decline in hotel revenues in 2019, due to  
5 irrational over building in the local hospitality market place, but still maintained a higher net-  
6 operating-income profit bottom line. Despite these challenges, the Debtors continued to  
7 maintain the properties in first-class, excellent condition and in compliance with Shilo Inn  
8 franchise standards. Unfortunately, in 2020 the Hotels experienced a sudden and sharp decline  
9 in hotel revenues due to the Covid-19 global pandemic and unprecedented global recession.

10 **C. The Hotels Secured by Loans with the Lender**

11 17. On or about November 2, 2015, each of the Debtors entered into loan agreements  
12 with Natixis Real Estate Capital, LLC (“Natixis”). On information and belief, Natixis  
13 collateralized the Loan into commercial mortgage backed securities and sold it as investments in  
14 the market. The Loan was being serviced by Wells Fargo prior to being moved to special  
15 servicing with Rialto in or about September 2018. Mark S. Hemstreet, founder of Shilo Inns, is a  
16 personal guarantor on the Loan, personally guarantying 5% of the debt, which then sprung to  
17 100% of the debt when he, as an officer, director, and member of the Debtors, did not prevent  
18 them from filing for bankruptcy protection.

19 18. The Debtors made timely payments on the Loan for three years until the third  
20 quarter of 2018. Despite what might appear to be a better economy on Wall Street with record  
21 Dow Jones stock averages, the general American economy has continued to be a struggle for  
22 America’s working class, which continues to have reverberations in the markets serving  
23 America’s working class families. Shilo Inn has a long and proud 46-year-plus history of  
24 providing high quality resort, hotel, and vacation services to American families in the Pacific  
25 Northwest, and several western states, including Washington, Oregon, Idaho, Montana, Arizona,  
26 Nevada, and Texas. Shilo Inn has been a strong supporter and charitable donor to the service

1 men and women of the United States Armed Forces, and Shilo is proud of its commitment to  
2 America's men and women in uniform and America's working class. As America's working  
3 class continued to struggle through this economy, the Debtors nonetheless made timely debt  
4 service to the Lender for three years. But when the economic conditions strained the ability to  
5 make payments in late 2018, the Lender took increasingly aggressive steps to foreclose on the  
6 Debtors' assets.

7 19. For twelve months from September 2018 to September 2019, the Debtors made  
8 numerous offers to the Lender and Rialto in efforts to bring current and reinstate the Loan  
9 through settlement. The Lender's and Rialto's responses were often slow, vague, and  
10 incomprehensible to the Debtors. Reinstatement figures from Rialto would include categories of  
11 fees and expenses that were inconsistent between the multiple Debtors, included footnoted  
12 exceptions to allow for the reinstatement figures to change with additional charges without limit,  
13 and included shockingly high default charges, penalties, fees, and costs that went well beyond  
14 basic attorneys' fees. Moreover, in the approximate 24 months leading up to the bankruptcy  
15 filings, Rialto would seize most of the Debtors' operating cash accounts under a lockbox cash  
16 management provision, making it very challenging for SMC and SFI to operate the hotels. Rialto  
17 collected all of the operating cash that Shilo created and insisted that the Debtors' affiliates Shilo  
18 Management Corporation (SMC), Shilo Franchise International, LLC (SFI) and Mr. Hemstreet  
19 personally pay for all of the expenses, including, but not limited to, for example, labor, payroll,  
20 utilities, insurance, vendors, supplies, and taxes at the Hotels rather than use the Debtors' own  
21 generated operating cash and reserves to pay its own expenses. The Debtors were required to  
22 submit monthly operating expense ("Opex") draw requests at the end of each month and then  
23 have to wait at least another forty five (45) days to ever receive reimbursement, resulting in  
24 SMC, SFI and Mr. Hemstreet having to advance and fund millions of dollars causing more  
25 financial hardship on the debtors, SMC, SFI and Mr. Hemstreet. On August 6, 2019, the Debtors  
26 learned that Rialto had seized over \$1,525,000 of the Debtors' cash on August 2, 2019, from the

Debtors various reserves and bank accounts to arbitrarily pay outstanding amounts due under the Loan without providing any details to the Debtors until August 28, 2019, despite the Debtors' repeated requests for information for weeks.

20. On January 23, 2020, the Debtors and Rialto, on behalf of Lender, entered into a Forbearance Agreement wherein Rialto agreed to forbear from exercising its rights and remedies until July 23, 2020. Upon execution of the Forbearance Agreement, the Debtors paid Lender the amount of \$447,764 to be applied to outstanding amounts due under the Loan. In addition, the Debtors brought current the past due monthly loan payments owed for November and December 2019, and January 2020 in the total amount of \$192,012.69. Thereafter, the Debtors were required to make the regular principal and interest payments on the Loan. Debtors were current on the payments required under the Forbearance Agreement until the onset of the COVID-19 pandemic. The American economy in general and the hotel industry in particular have been decimated as a result of the pandemic and the applicable state and local stay at home orders. Specifically, the pandemic and applicable stay at home orders caused a sudden and dramatic loss of revenues and occupancy at the Hotel just when the Hotels would normally experience increasing revenues coming out of winter and going into spring break. As a result of the COVID-19 pandemic and the immediate loss of revenue and occupancy as a result of the stay at home orders, the Debtors unfortunately defaulted under the Forbearance Agreement. The Debtors are not unique among hotel owners and operators defaulting on loans and facing foreclosure as a result of the COVID-19 pandemic. A recent survey by the American Hotel and Lodging Association estimated that half of hotel owners in the country are in danger of foreclosure as a result of the pandemic. It is incumbent upon hospitality lenders to work with their borrowers during these unfortunate times.

21. Rialto scheduled non-judicial foreclosure sales of the Hotels, which were continued and rescheduled from time to time, as follows:

Debtor	Date of Foreclosure Sale
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Shilo Ocean Shores	10/16/2020
Shilo Nampa Suites	10/23/2020

22. In addition to the payments under the Forbearance Agreement as set forth above, since the termination of the Forbearance Agreement, the Shilo organization paid to Rialto additional and substantial sums to postpone the foreclosures sales while the parties attempted to reach a further out-of-court agreement on restructuring the debts. Additionally, SFI and SMC have forgone and not received franchise and management fees since at least September 2018 as part of Shilo's good faith effort to accomplish a successful restructuring. When negotiations broke down, the Debtors determined in their reasonable business judgment that it would be best to file for chapter 11 bankruptcy protection for the benefit of all creditors, to save the jobs of the 41 employees who work at the Hotels, and to save the equity in the Hotels through a reorganization of their financial affairs in bankruptcy court.

## II. CASH COLLATERAL

### A. The Debtors' Primary Assets and Secured Debts

23. Shilo Ocean Shores' primary asset is the Ocean Shores Hotel. Based on the appraisal report of an MAI certified appraisal in 2015 when the Loan was originated, the Ocean Shores Hotel had a fair market value of \$10,100,000, and Mark Hemstreet opines that the value is now at least \$15,000,000.

24. Shilo Nampa Suites' primary asset is the Nampa Suites Hotel. Based on the appraisal report of an MAI certified appraisal in 2015 when the Loan was originated, the Nampa Suites Hotel had a fair market value of \$5,100,000, and Mark Hemstreet opines that the value is now at least \$7,000,000.

25. The Lender's claims against Shilo Ocean Shores and Shilo Nampa Suites are cross-collateralized. Combined, the Ocean Shores Hotel and Nampa Suites Hotel have a value



1 of \$22,000,000, and the Lender's cross-collateralized secured claim is approximately  
2 \$9,200,000, rendering an equity cushion of \$12,800,000, which calculates to an equity cushion  
3 percentage of 139.13%. Even when using the higher secured claim amount of \$11,687,709.90  
4 (which includes various late fees, penalties, and other charges that the Debtors dispute) asserted  
5 by Lender and Rialto, the equity cushion is still \$10,312,290.10, which calculated to an equity  
6 cushion percentage of 88.23%.

7 **B. Need for Use of Cash Collateral**

8 26. The Debtors seek Court authority to use cash collateral in order to pay the  
9 expenses of maintaining and operating their businesses, as set forth in the Budgets, copies of  
10 which are attached as **Exhibit 1** to this declaration (the "Master Declaration"), through January  
11 2021. The Budgets reflect the Debtors' ordinary and necessary operating expenses that must be  
12 paid for October and post-petition to preserve their businesses. While the Budgets represent the  
13 Debtors' best estimates of such expenses, the needs of the businesses may fluctuate. Thus, the  
14 Debtors seek authority to deviate from the total expenses contained in the Budgets by no more  
15 than 15% on a line-item basis and/or no more than 10% on a cumulative basis without the need  
16 for further Court order. The Debtors are seeking to use cash collateral across estates as the Loan  
17 is secured by both Nampa and Ocean Shores; nonetheless, each of the Debtors has its own  
18 Budget and will use its own cash collateral therein.

19 27. The Debtors believe that the current valuation of the Hotels on a going-concern  
20 basis and the continued operations of the Hotels provide adequate protection to the Lender and  
21 the other secured creditors. Hotel operations are a somewhat seasonal business, and although  
22 there is a dip in cash for the Debtors in this 13-week period, that is because the Hotels are  
23 entering their slowest seasons, and the cash balance will rise in the Spring and Summer.

24 28. If the Debtors are not permitted to use cash collateral to maintain and operate the  
25 Hotels, it is a virtual certainty that these estates would regrettably have to be liquidated.  
26 Specifically, without use of cash collateral and the ability to operate, existing guests will not

1 receive services and will depart, canceling existing charges. Moreover, without use of cash  
2 collateral, future reservations will also be cancelled. If the Debtors are not allowed to use cash  
3 collateral for even a limited period of time, the public perception associated with the foregoing  
4 will certainly hurt, if not eviscerate, the Debtors' businesses, thereby reducing the value of the  
5 estates and potential recovery to creditors.

6 **G. Compliance with Rule 4001(c) of the Federal Rules of Bankruptcy Procedure**

7 29. Pursuant to Rule 4001(c)(1)(B) of the Federal Rules of Bankruptcy Procedure  
8 ("Bankruptcy Rules"), the Debtors submit that the relief requested by the Debtors pertaining to  
9 the use of cash collateral does not contain any of the following provisions, except as otherwise  
10 indicated below:

<b><u>Provision</u></b>	
Cross-collateralization clauses	No [except to the extent that, Nampa and Ocean Shores were cross-collateralized pre-petition and, therefore, cash collateral may be cross-collateralized as a result thereof]
Provisions or findings of fact that bind the estate or all parties in interest with respect to the validity, perfection or amount of the secured party's pre-petition lien or debt or the waiver of claims against the secured creditor.	No
Provisions or findings of fact that bind the estate or all parties in interest with respect to the relative priorities of the secured party's pre-petition lien.	No
Provisions that operate, as a practical matter, to divest the Debtor of any discretion in the formulation of a plan or administration of the estate or to limit access to the court to seek any relief under other applicable provision of law.	No
Waivers of 11 U.S.C. § 506(c), unless the waiver is effective only during the period in which the Debtor is authorized to use cash	No

<b>Provision</b>	
collateral or borrow funds.	
Releases of liability for the creditor's alleged prepetition torts or breaches of Contract.	No
Waivers of avoidance actions arising under the Bankruptcy Code.	No
Provisions that deem prepetition secured debt to be postpetition debt or that use postpetition loans from a prepetition secured creditor to pay part or all of that secured creditor's prepetition debt	No
Provisions that prime any secured lien	No
Automatic relief from the automatic stay upon default, conversion to chapter 7, or appointment of a trustee.	No
Waivers of procedural requirements, including those for foreclosure mandated under applicable non-bankruptcy law, and for perfection of replacement liens.	No
Adequate protection provisions which create liens on claims for relief arising under 11 U.S.C. §§ 506(c), 544, 545, 547, 548 and 549.	No
Waivers, effective on default or expiration, of the Debtor's right to move for a court order pursuant to 11 U.S.C. § 363(c)(2)(B) authorizing the use of cash collateral in the absence of the secured party's consent	No
Provisions that grant a lien in an amount in excess of the dollar amount of cash collateral authorized under the applicable cash collateral order.	No
Provisions providing for the paying down of prepetition principal owed to a creditor.	No
Findings of fact on matters extraneous to the approval process.	No

### III. CASH MANAGEMENT

30. The Hotels are just a few of many hotels under the SFI brand. Each of these hotels, including the Hotels, has its own separate bank account for receipts from operating activities (the "Depository Account(s)"). The Debtors will close the Depository Accounts and open post-petition debtor-in-possession accounts ("DIP Accounts") to use in place of the Depository Accounts. Thereafter, the Debtors request permission to continue using their

1 existing cash management systems, wherein funds from each of these bank accounts are  
2 transferred to a master accounts payable bank account (the “Master A/P Account”) held by  
3 Shilo Management Corporation (“SMC”) to reimburse for expenses paid by SMC on behalf of  
4 the Hotels. All expenses are paid by checks written from the Master A/P Account. This results  
5 in cost savings and economies of scale by allowing all expenses and accounting to run through  
6 one account rather than several.

7 31. Meticulous records of the bank accounts ensure that all funds are accounted for.  
8 In the ordinary course of business, SMC creates separate monthly reports for each of the  
9 separate hotel entities, including the Debtors, which it will continue to do throughout the  
10 bankruptcy cases in connection with reports to the United States Trustee. SMC logs the  
11 individual transfers into the account as they are made, and the accounting system automatically  
12 registers checks written out of the account. SMC produces a statement for the Debtors to show  
13 all monies in and out.

14 32. Pursuant to the Motion each Debtor will open a debtor-in-possession bank  
15 account, but thereafter, the Debtors seek Court authority to maintain their prepetition cash  
16 management systems. Specifically, the Debtors seek to collect income through each Debtor’s  
17 debtor-in-possession bank accounts, then transfer the cash to the Master Account, from which  
18 all expenses for that Debtor will be paid. Importantly, each Debtor will only transfer the exact  
19 amount necessary for the Master Account to cut checks for that Debtor’s expenses. All surplus  
20 income above what is needed for these expenses will remain in that Debtor’s Depository  
21 Account. Although the Debtors believe that there is no danger in the commingling and loss of  
22 estate funds by utilizing the Master A/P Account system, keeping all surplus income in each  
23 Debtor’s account will serve as yet an extra safeguard to ensure that estate funds remain within  
24 the applicable estate and under the auspices of the Court and the Office of the United States  
25 Trustee.

#### 26 IV. PREPETITION WAGES

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1           33. In the operation of the Hotels, the Debtors employ in the aggregate  
2 approximately 41 employees on the premises. Each payroll covers a two-week period and is  
3 paid on the 17th day (Wednesday) after the end of each pay period. The prepetition portion of  
4 the Debtors' unpaid payroll period is shown on **Exhibit 2** to the Master Declaration, including  
5 the dates covered, when Shilo does payroll, when Shilo cuts checks, initiates direct deposits,  
6 and funds payroll. Collectively, this period is referred to as the "Prepetition Period" and the  
7 wages as the "Prepetition Wages." The Debtors make payroll in two tranches. Shilo Nampa  
8 Suites pays its staff and hotel managers on the same payroll together, with the next payroll due  
9 on October 21, 2020. Shilo Ocean Shores pays its hotel managers on October 21, 2020, and its  
10 staff on October 28, 2020, with a recurring staggered payroll. The Debtor submits that these  
11 hotel managers are not insiders because they do not have any control over the Debtors' financial  
12 affairs, budgeting, or macro-decisions, which are all made by the corporate office at SMC (the  
13 SMC corporate employees are paid by SMC, not the Debtors, and are not part of the Wage  
14 Motion). The amounts on **Exhibit 2** represent the total gross amount of prepetition payroll,  
15 including workers compensation contributions, medical benefit contributions, federal and state  
16 withholding taxes, payroll taxes, and service fees to SMC. None of the employees to be paid  
17 Prepetition Wages are insiders. A redacted list of the employees and the amounts of the  
18 Prepetition Wages are shown on **Exhibit 2** to the Master Declaration. The names of the  
19 employees have been redacted to protect their privacy, but an un-redacted version will be  
20 submitted to the U.S. Trustee, the Court, and Rialto, if requested.

21           34. The Debtors make payments to the employees and all vendors through its cash  
22 management system, as described in more detail in a cash management motion filed  
23 concurrently with this Master Statement. Pursuant to this cash management system, each  
24 Debtor transfers the exact amount of funds necessary to make payroll from its account to a  
25 master account payable bank account (the "Master Payroll Account") held by SMC, who then  
26 writes the employee checks from the Master Payroll Account. This results in cost savings and

1 economies of scale by allowing all expenses and accounting to run through one account rather  
2 than several.

3 35. The source of funds to be used to honor the wages, salaries, commissions and  
4 bonuses for the Prepetition Period will be the Debtors' revenue, which may constitute the cash  
5 collateral of the Lender and a number of other secured creditors. The Debtors' request to use  
6 cash collateral is included in a separate motion filed concurrently herewith.

7 36. By way of the Wage Motion, the Debtors seek authority to transfer the exact  
8 amount of funds necessary to SMC for the express purpose of paying non-insider, Prepetition  
9 Wages, within the limits of \$13,650 per employee.

10 37. All of the employees to which the Debtors seek to pay wages, salaries,  
11 commissions, and bonuses for the Prepetition Period are still employed by the Debtors. The  
12 Debtors submit that approval to honor the employees' wages, salaries, commissions, and bonuses  
13 for the Prepetition Period, including all federal and state withholding taxes, payroll taxes,  
14 employer matching 401(k) contributions, and payroll service fees, will not render any estate  
15 administratively insolvent.

16 38. The Debtors' employees are integral to the Debtors' continued operation and the  
17 generation of revenue, while preserving the value of all of the estates. In short, the Debtors  
18 cannot continue to operate and reorganize without the employees. If the Debtors do not  
19 continue to pay its employees their ordinary and earned wages, salaries, commissions, and  
20 bonuses, the employees will likely quit. Without employees, the Debtors' operations and the  
21 value of their business will be severely impaired, if not eviscerated altogether.

## 22 V. UTILITIES

23 39. To operate the Hotels, the Debtors receive water, gas, electricity, sewer, garbage  
24 telephone, TV, movie/cinema, internet, and similar utility services from a number of utility  
25 companies (each a "Utility Company," and collectively, the "Utility Companies"). Given the  
26 importance of the services provided by the Utility Companies to the Debtors' businesses, it is

1 crucial that the means of providing adequate assurance to the Utility Companies which provide  
2 utility services to the Debtors be determined so that there is no interruption in the services  
3 provided.

4 40. Prior to the commencement of the Debtors' bankruptcy cases, the Utility  
5 Companies listed in **Exhibit 3** to the Master Declaration provided utility services to the Debtors.  
6 The Debtors intend to provide adequate "assurance of payment" by providing each of the Utility  
7 Companies listed in **Exhibit 3** with a cash deposit, as authorized by Section 366(c)(1)(A)(i) of  
8 the Bankruptcy Code, in the amounts set forth in **Exhibit 3**, provided that the Debtors will  
9 continue to utilize such services. The proposed deposit amounts were determined based on an  
10 average of the three (3) monthly ledgers reflecting expenses the Debtors incurred for the  
11 respective Utility Companies. To the extent that a deposit is already in place with a particular  
12 Utility, such amount was deducted from the proposed deposit sought herein. The source of funds  
13 to be used to pay the cash deposits to the Utility Companies will be the Debtors' post-petition  
14 revenues and cash on hand.

## 15 VI. JOINT ADMINISTRATION

16 41. These two Debtors each operate a Shilo Inn hotel pursuant to franchise  
17 agreements with SFI, and they share common management, as each is managed by SMC. The  
18 Debtors are owned by Mark S. Hemstreet. As such, the Debtors are "affiliates" of each other as  
19 that term is defined under 11 U.S.C. § 101(2).

20 42. The Debtors also share numerous creditors, including the primary secured  
21 creditor, Lender, and the Loan is specially serviced by Rialto. Most importantly, the Loan is  
22 secured by both Hotels and personally guaranteed by Mark S. Hemstreet.

23 43. Joint administration will avoid duplicative expenses and will ensure that creditors  
24 in the Cases will receive appropriate notice of pertinent matters. In addition, the Debtors believe  
25 that joint administration of the Cases, including the use of a single pleadings docket, the  
26 combining of notices to creditors of the different estates, and the joint handling of purely



1 administrative matters will aid in expediting the Cases and rendering the process less costly,  
2 without prejudicing the substantive rights of any creditor.

3 44. Additionally, the granting of the Motion will eliminate further need for the  
4 Debtors to file identical motions and orders in each of the Cases when seeking relief that is  
5 common to both Debtors, will avoid the further waste of judicial resources related to, for  
6 example, the docketing of identical motions, declarations and orders in the each of the Cases, and  
7 will permit the Debtors' estates to avoid the substantial copy costs and service costs associated  
8 with filing and serving motions and other pleadings in the Cases that seek collective relief for the  
9 Debtors.

10 45. Because the Debtors' primary secured debts are all owed to the same secured  
11 creditor and are cross-collateralized, the Debtors' plans of reorganization or section 363 sales  
12 will have to consider and address the secured debts of each other Debtor. Accordingly, joint  
13 administration of the Cases is of great importance not only at the outset but also as the Cases  
14 progress towards an exit strategy.

15 46. As a result, the Debtors hereby respectfully submit that cause exists to jointly  
16 administer the Cases.

## 17 **VII. CUSTOMER LOYALTY PROGRAM OBLIGATIONS**

18 47. The Debtors' two hotels are just a few of 14 affiliated hotels under the SFI brand.  
19 The Star Program allows customers of Shilo Inns to earn 1 point per dollar spent on room rates  
20 per day, excluding tax and other expenses. For each 900 points gained, the customer can earn a  
21 free night at a Shilo Inn hotel. Accordingly, Shilo customers can also earn a variety of  
22 certificates with points ranging from 250-900, which is clearly stated on the Shilo Inn website  
23 under Star Rewards along with its terms and conditions. The Debtors submit that the Star  
24 Program provides benefits to all of the Debtors because it encourages customers to be loyal in  
25 choosing these two hotels over the many other hotel choices that they have in each region.  
26 Without the Star Program, it is almost certain that the Debtors will lose business and future

1 business from customers who would otherwise not have this incentive to be loyal in choosing  
2 Shilo hotels.

3 48. The Debtors submit that the discretion to honor the Star Program is essential to  
4 the Debtors' maintenance of positive customer relations, as a failure to honor the existing Star  
5 Program is certain to detrimentally affect customer goodwill and impair the Debtors' ability to  
6 generate repeat business from the Debtors' customers. If the Debtors are not authorized to honor  
7 the Star Program in their discretion, the Debtors' ability to continue to generate business,  
8 successfully reorganize and/or maximize value for creditors could be seriously jeopardized,  
9 particularly where the underlying transaction involves long-standing, crucial customers.

10 49. The Debtors engage in the Star Program in the ordinary course of their business.  
11 The Debtors' most important clients are familiar with the Star Program and expect the benefits  
12 they receive from them. The success of the Debtors' business and the ability of the Debtors to  
13 successfully reorganize and/or to maximize value for creditors are completely dependent upon  
14 the loyalty, confidence, and continued patronage of their clients. Any delay in honoring the Star  
15 Program obligations likely will create immediate and irreparable customer dissatisfaction and  
16 frustration, causing clients to offer their business to the Debtors' competitors.

17 50. At a time when customer loyalty and patronage is critical to the Debtors'  
18 reorganization efforts, the Debtors submit that it is entirely necessary, and appropriate, for the  
19 Court to issue an order allowing the Debtors to continue to honor the Star Program in these  
20 circumstances.

21 I declare under penalty of perjury under the laws of the United States of America that the  
22 foregoing is true and correct to the best of my knowledge.

23 Executed on this 16th day of October 2020, at Portland, Oregon.

24 DocuSigned by:

25 *Larry Chank*

26 2220BC13CC3A4B2...

LARRY CHANK

DECLARATION OF LARRY CHANK IN  
SUPPORT OF FIRST-DAY MOTIONS - 17

STOEL RIVES LLP  
ATTORNEYS

600 University Street, Suite 3600, Seattle, WA 98101  
Telephone 206.624.0900

# Exhibit 1

# Shilo Inn Nampa Suites, LLC

## PROFORMA OPERATING STATEMENT PREPARED ON CASH FLOW BASIS

October 16, 2020 to January 14, 2021

	First Month by Week				Proforma Operating Statement			Three Month Totals
	Week 1 10/16-22	Week 2 10/23-29	Week 3 10/30-11/5	Week 4 11/6-12	Weeks 1-4 Oct 16 - Nov 12	Weeks 5-9 Nov 13 - Dec 17	Weeks 10-13 Dec 18 - Jan 14	
AVAILABLE ROOMS	791	791	791	791	3,164	3,955	3,164	10,283
ROOMS SOLD	468	465	434	404	1,771	1,999	1,512	5,282
COMP ROOM NIGHTS	4	4	4	4	16	20	16	52
TOTAL ROOMS OCCUPIED	472	469	438	408	1,787	2,019	1,528	5,334
AVERAGE DAILY RATE	\$69.00	\$69.00	\$69.00	\$69.00	\$69.00	\$69.00	\$69.00	\$69.00
AVERAGE DAILY RATE (incl comps)	\$68.42	\$68.41	\$68.37	\$68.32	\$68.38	\$68.32	\$68.28	\$68.33
OCCUPANCY % (rooms sold)	59.2%	58.8%	54.9%	51.1%	56.0%	50.5%	47.8%	51.4%
OCCUPANCY % (incl comps)	59.7%	59.3%	55.4%	51.6%	56.5%	51.0%	48.3%	51.9%
REVENUE PER AVAILABLE ROOM	\$40.82	\$40.56	\$37.86	\$35.24	\$38.62	\$34.88	\$32.97	\$35.44
DEPARTMENTAL REVENUE								
ROOMS	32,292	32,085	29,946	27,876	122,199	137,931	104,328	364,458
MISCELLANEOUS	888	882	824	767	3,360	3,793	2,869	10,023
OCCUPANCY TAX COLLECTIONS <sup>2</sup>	3,875	3,850	3,594	3,345	14,664	16,552	12,519	43,735
GROSS REVENUE and OTHER CASH RECEIPTS	37,055	36,818	34,363	31,988	140,223	158,276	119,716	418,216
COST OF GOODS / SERVICES SOLD								
ROOMS	10,733	14,164	16,720	19,064	60,681	68,448	56,172	185,301
MISCELLANEOUS	311	309	288	268	1,176	1,328	1,004	3,508
TOTAL COST OF GOODS / SERVICES SOLD	11,044	14,473	17,008	19,332	61,857	69,776	57,176	188,809
DEPARTMENTAL PROFIT and OTHER CASH RECEIPTS								
ROOMS	21,559	17,921	13,226	8,812	61,518	69,483	48,156	179,157
MISCELLANEOUS	577	574	535	498	2,184	2,466	1,865	6,515
GROSS PROFIT	26,011	22,345	17,355	12,655	78,366	88,500	62,540	229,407
GEN & ADMIN EXPENSE AND OTHER CASH OUTFLOWS								
ADVERTISING & PROMOTION	1,991	2,978	1,846	2,919	9,734	9,503	6,432	25,669
PROPERTY MAINTENANCE	3,904	4,637	3,712	4,641	16,895	19,172	15,720	51,787
GENERAL & ADMINISTRATIVE	2,654	4,037	2,462	3,691	12,845	15,590	11,792	40,226
UTILITIES (Week 2 figure represents est. deposits)		9,900			9,900	6,400	5,400	21,700
INSURANCE			3,970		3,970	3,970	3,970	11,910
SECURED PROPERTY TAX								0
FRANCHISE FEES <sup>4</sup>	1,292	1,283	1,198	1,115	4,888	4,888	5,517	15,293
SMC MANAGEMENT FEE	1,482	1,473	1,375	1,280	5,610	6,331	4,789	16,730
OCCUPANCY TAX <sup>2</sup>				9,350	9,350	9,776	11,034	30,160
TOTAL GENERAL & ADMINISTRATIVE EXPENSES AND OTHER CASH OUTFLOWS	11,324	24,309	14,562	22,996	73,191	75,630	64,654	213,475
NET CASH FLOW FROM OPERATIONS	14,688 39.6%	(1,964) -5.3%	2,793 8.1%	(10,341) -32.3%	5,175 3.7%	12,870 8.1%	(2,114) -1.8%	15,931 3.8%

Cash Beginning of Period	20,000	34,688	32,724	35,516	20,000	25,175	38,045
Change in period	14,688	(1,964)	2,793	(10,341)	5,175	12,870	(2,114)
Cash End of Period	34,688	32,724	35,516	25,175	25,175	38,045	35,931
Trade Accounts Receivable Beginning of Period <sup>4</sup>	76,815	76,815	76,815	76,815	76,815	76,815	76,815
Change in period <sup>5</sup>	-	-	-	-	-	-	-
Trade Accounts Receivable End of Period	76,815	76,815	76,815	76,815	76,815	76,815	76,815
Est. Inventory Beginning of Period <sup>4</sup>	31,250	31,250	31,250	31,250	31,250	31,250	31,250
Change in period <sup>5</sup>	-	-	-	-	-	-	-
Inventory End of Period	31,250	31,250	31,250	31,250	31,250	31,250	31,250
FF&E (Est. FMV) Beginning of Period <sup>4</sup>	190,000	190,000	190,000	190,000	190,000	190,000	190,000
Change in period <sup>5</sup>	-	-	-	-	-	-	-
FF&E End of Period	190,000	190,000	190,000	190,000	190,000	190,000	190,000
Real Property (FMV) Beginning of Period	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Change in period <sup>5</sup>	-	-	-	-	-	-	-
Real Property (FMV) End of Period	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
TOTAL ALL ASSETS - END OF PERIOD	7,332,753	7,330,789	7,333,581	7,323,240	7,323,240	7,336,110	7,333,996

### Notes:

- 1) Payroll expense is included in Rooms, A&G, Sales, & Maintenance departments as appropriate.
- 2) Occupancy tax payments are estimated at 8% of revenue and payments are based on the prior month's receipts.
- 3) Franchise fee is 4% of prior month's total revenue.
- 4) Estimated balances as of 10/01/2020.
- 5) Net change is assumed to be zero each period.

# Shilo Inn Ocean Shores, LLC

## PROFORMA OPERATING STATEMENT PREPARED ON CASH FLOW BASIS

October 16, 2020 to January 14, 2021

	First Month by Week				Proforma Operating Statement			Three Month Totals
	Week 1 10/16-22	Week 2 10/23-29	Week 3 10/30-11/5	Week 4 11/6-12	Weeks 1-4 Oct 16 - Nov 12	Weeks 5-9 Nov 13 - Dec 17	Weeks 10-13 Dec 18 - Jan 14	
AVAILABLE ROOMS	791	791	791	791	3,164	3,955	3,164	10,283
ROOMS SOLD	336	279	215	312	1,142	1,006	1,021	3,169
COMP ROOM NIGHTS	4	4	4	4	16	20	16	52
TOTAL ROOMS OCCUPIED	340	283	219	316	1,158	1,026	1,037	3,221
AVERAGE DAILY RATE	\$116.00	\$116.00	\$116.00	\$116.00	\$116.00	\$105.00	\$110.00	\$110.57
AVERAGE DAILY RATE (incl comps)	\$114.64	\$114.36	\$113.88	\$114.53	\$114.40	\$102.95	\$108.30	\$108.79
OCCUPANCY % (rooms sold)	42.5%	35.3%	27.2%	39.4%	36.1%	25.4%	32.3%	30.8%
OCCUPANCY % (incl comps)	43.0%	35.8%	27.7%	39.9%	36.6%	25.9%	32.8%	31.3%
REVENUE PER AVAILABLE ROOM	\$49.27	\$40.92	\$31.53	\$45.75	\$41.87	\$26.71	\$35.50	\$34.08
<b>DEPARTMENTAL REVENUE</b>								
ROOMS	38,976	32,364	24,940	36,192	132,472	105,630	112,310	350,412
MISCELLANEOUS	1,072	890	686	995	3,643	2,905	3,089	9,636
OCCUPANCY TAX COLLECTIONS <sup>2</sup>	4,677	3,884	2,993	4,343	15,897	12,676	13,477	42,049
<b>GROSS REVENUE and OTHER CASH RECEIPTS</b>	<b>44,725</b>	<b>37,138</b>	<b>28,619</b>	<b>41,530</b>	<b>152,012</b>	<b>121,210</b>	<b>128,876</b>	<b>402,098</b>
<b>COST OF GOODS / SERVICES SOLD</b>								
ROOMS	18,145	12,567	7,184	10,175	48,071	42,552	37,061	127,684
MISCELLANEOUS	375	312	240	348	1,275	1,017	1,081	3,373
<b>TOTAL COST OF GOODS / SERVICES SOLD</b>	<b>18,520</b>	<b>12,879</b>	<b>7,424</b>	<b>10,523</b>	<b>49,346</b>	<b>43,569</b>	<b>38,142</b>	<b>131,057</b>
<b>DEPARTMENTAL PROFIT and OTHER CASH RECEIPTS</b>								
ROOMS	20,831	19,797	17,756	26,017	84,401	63,078	75,249	222,728
MISCELLANEOUS	697	579	446	647	2,368	1,888	2,008	6,264
<b>GROSS PROFIT</b>	<b>26,205</b>	<b>24,259</b>	<b>21,195</b>	<b>31,007</b>	<b>102,666</b>	<b>77,642</b>	<b>90,734</b>	<b>271,041</b>
<b>GEN &amp; ADMIN EXPENSE AND OTHER CASH OUTFLOWS</b>								
ADVERTISING & PROMOTION	2,403	2,995	1,538	3,431	10,367	7,512	6,924	24,803
PROPERTY MAINTENANCE	4,454	4,660	3,300	5,325	17,739	15,853	16,540	50,133
GENERAL & ADMINISTRATIVE	3,204	4,060	2,050	4,375	13,689	11,939	12,694	38,322
UTILITIES (Week 2 figure represents est. deposits)		9,900			9,900	17,300	19,000	46,200
INSURANCE			8,280		8,280	8,280	8,280	24,840
SECURED PROPERTY TAX			49,923		49,923	0	0	49,923
FRANCHISE FEES <sup>3</sup>	1,559	1,295	998	1,448	5,300	5,299	4,225	14,824
SMC MANAGEMENT FEE	1,789	1,486	1,145	1,661	6,081	4,848	5,155	16,084
OCCUPANCY TAX <sup>2</sup>				9,350	9,350	17,221	13,732	40,303
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSES AND OTHER CASH OUTFLOWS</b>	<b>13,409</b>	<b>24,397</b>	<b>67,234</b>	<b>25,590</b>	<b>130,629</b>	<b>88,253</b>	<b>86,550</b>	<b>305,432</b>
<b>NET CASH FLOW FROM OPERATIONS</b>	<b>12,796</b> <b>28.6%</b>	<b>(138)</b> <b>-0.4%</b>	<b>(46,039)</b> <b>-160.9%</b>	<b>5,417</b> <b>13.0%</b>	<b>(27,964)</b> <b>-18.4%</b>	<b>(10,611)</b> <b>-8.8%</b>	<b>4,184</b> <b>3.2%</b>	<b>(34,391)</b> <b>-8.6%</b>

Cash Beginning of Period	80,000	92,796	92,659	46,620	80,000	52,036	41,425
Change in period	12,796	(138)	(46,039)	5,417	(27,964)	(10,611)	4,184
Cash End of Period	92,796	92,659	46,620	52,036	52,036	41,425	45,609
Trade Accounts Receivable Beginning of Period <sup>4</sup>	7,850	7,850	7,850	7,850	7,850	7,850	7,850
Change in period <sup>5</sup>	-	-	-	-	-	-	-
Trade Accounts Receivable End of Period	7,850	7,850	7,850	7,850	7,850	7,850	7,850
Est. Inventory Beginning of Period <sup>4</sup>	31,250	31,250	31,250	31,250	31,250	31,250	31,250
Change in period <sup>5</sup>	-	-	-	-	-	-	-
Inventory End of Period	31,250	31,250	31,250	31,250	31,250	31,250	31,250
FF&E (Est. FMV) Beginning of Period <sup>4</sup>	260,000	260,000	260,000	260,000	260,000	260,000	260,000
Change in period <sup>5</sup>	-	-	-	-	-	-	-
FF&E End of Period	260,000	260,000	260,000	260,000	260,000	260,000	260,000
Real Property (FMV) Beginning of Period	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Change in period <sup>5</sup>	-	-	-	-	-	-	-
Real Property (FMV) End of Period	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
<b>TOTAL ALL ASSETS - END OF PERIOD</b>	<b>15,391,896</b>	<b>15,391,759</b>	<b>15,345,720</b>	<b>15,351,136</b>	<b>15,351,136</b>	<b>15,340,525</b>	<b>15,344,709</b>

**Notes:**

- 1) Payroll expense is included in Rooms, A&G, Sales, & Maintenance departments as appropriate.
- 2) Occupancy tax payments are estimated at 12% of revenue and payments are based on the prior month's receipts.
- 3) Franchise fee is 4% of prior month's total revenue.
- 4) Estimated balances as of 10/01/2020.
- 5) Net change is assumed to be zero each period.

## **Exhibit 2**

**Report:** Payroll Pay Statements: Default  
**Grouped By:** Default Location  
**Sorted By:** Last Name Ascending  
**Filtered By:** Employee Filter: All Employees  
**Date & Time:** 10/15/2020 08:17a  
**Generated By:** Shelly J. Meyer  
**Company:** SHILO INNS (6013713)

Default Location	Nampa Suites - 4R ACTUAL PAYROLL FOR PAY DATE OF 10/21/2020					PAYROLL PERIOD OF 9-/28/2020 TO 10/11/2020				
	First Name	Last Name	Type	Status	#	Pay Date	Net Payment	Gross Payroll & Taxes	Employee Status	Date Terminated
			Regular	Finalized	793498	10/21/2020	\$553.74	\$692.18	Active	
			Regular	Finalized	793499	10/21/2020	\$359.70	\$449.63	Active	
			Regular	Finalized	793500	10/21/2020	\$716.85	\$896.06	Active	
			Regular	Finalized	793501	10/21/2020	\$405.81	\$507.26	Active	
			Regular	Finalized	793502	10/21/2020	\$660.73	\$825.91	Active	
			Regular	Finalized	793503	10/21/2020	\$589.06	\$736.33	Active	
			Regular	Finalized	793504	10/21/2020	\$525.01	\$656.26	Active	
			Regular	Finalized	793505	10/21/2020	\$337.73	\$422.16	Active	
			Regular	Finalized	793507	10/21/2020	\$636.48	\$795.60	Active	
			Regular	Finalized	793506	10/21/2020	\$701.28	\$876.60	Active	
			Regular	Finalized	793508	10/21/2020	\$736.24	\$920.30	Active	
			Regular	Finalized	793509	10/21/2020	\$601.54	\$751.93	Active	
			Regular	Finalized	793510	10/21/2020	\$909.19	\$1,136.49	Active	
			Regular	Finalized	793511	10/21/2020	\$1,166.93	\$1,458.66	Active	
			Regular	Finalized	793512	10/21/2020	\$1,525.51	\$1,906.89	Active	
			Regular	Finalized	793513	10/21/2020	\$345.15	\$431.44	Active	
			Regular	Finalized	793514	10/21/2020	\$749.03	\$936.29	Active	
			Regular	Finalized	793515	10/21/2020	\$595.96	\$744.95	Active	
		Regular	Finalized	793516	10/21/2020	\$313.66	\$392.08	Active		
		Regular	Finalized	793517	10/21/2020	\$648.15	\$810.19	Active		
		Regular	Finalized	793518	10/21/2020	\$714.68	\$893.35	Active		
	Subtotal Full Payroll to be paid October 28, 2020						\$13,792.43	\$17,240.54		
	Accrued Payroll October 12, 13, 14, and 15th						\$5,516.97	\$6,896.22		
	Unpaid Accrued Payroll as of Oct 15 =						\$19,309.402	\$24,136.75		



First Name	Last Name	Type	Status	#	Pay Date	Net Payment	Gross Payroll & Taxes	Employee Status	Date Terminated
		Regular	Finalized	793356	10/28/2020	\$887.57	\$1,109.4625	Active	
		Regular	Finalized	793357	10/28/2020	\$911.67	\$1,139.5875	Active	
		Regular	Finalized	793358	10/28/2020	\$426.80	\$533.50	Active	
		Regular	Finalized	793359	10/28/2020	\$783.45	\$979.3125	Active	
		Regular	Finalized	793360	10/28/2020	\$800.65	\$1,000.8125	Active	
		Regular	Finalized	793361	10/28/2020	\$835.59	\$1,044.4875	Active	
		Regular	Finalized	793362	10/28/2020	\$498.75	\$623.4375	Active	
		Regular	Finalized	793363	10/28/2020	\$655.92	\$819.90	Active	
		Regular	Finalized	793364	10/28/2020	\$766.60	\$958.25	Active	
		Regular	Finalized	793365	10/28/2020	\$876.46	\$1,095.575	Active	
		Regular	Finalized	793366	10/28/2020	\$1,069.79	\$1,337.2375	Active	
		Regular	Finalized	793367	10/28/2020	\$681.92	\$852.40	Active	
		Regular	Finalized	793368	10/28/2020	\$571.33	\$714.1625	Active	
		Regular	Finalized	793369	10/28/2020	\$976.47	\$1,220.5875	Active	
		Regular	Finalized	793370	10/28/2020	\$1,005.88	\$1,257.35	Active	
		Regular	Finalized	793371	10/28/2020	\$684.58	\$855.725	Active	
		Manual	Finalized	793148	10/28/2020	\$148.39	\$185.4875	Terminated	09/23/2020
		Regular	Finalized	793372	10/28/2020	\$704.74	\$880.925	Active	
		Regular	Finalized	793373	10/28/2020	\$869.66	\$1,087.075	Active	
		Regular	Finalized	793374	10/28/2020	\$785.67	\$982.0875	Terminated	10/07/2020
<b>Subtotal Full Payroll to be paid October 28, 2020</b>						<b>\$14,941.89</b>	<b>\$18,677.3625</b>		

Unpaid Accrued Payroll as of Oct 15 =

**\$13,447.70****\$16,809.6263**

## **Exhibit 3**

## 事

Utility Spreadsheet - Nampa and Ocean Shores - 10.15.2020

Shilo Inn, Ocean Shores, LLC  
Utility Providers  
As of October 15, 2020  
OE

[illegible]